City Council Special Meeting
Workshop – Wastewater Treatment Facility
Tuesday, July 31, 2012, 6:30 p.m.
Elk's Lodge, 155 NE Ernst Street, Oak Harbor

CALL TO ORDER Mayor Dudley called the meeting to order at 6:00 p.m.

ROLL CALL

Mayor Scott Dudley
5 Members of the Council,
Rick Almberg
Jim Campbell
Beth Munns
Joel Servatius
Bob Severns
Councilmembers Tara Hizon and Danny Paggao were absent from this meeting.

Larry Cort, Interim City Administrator
Eric Johnston, City Engineer
Cathy Rosen, Public Works Director
Steve Bebee, Public Works Operations Manager

Also in attendance: Brian Matson, Carollo Engineers, Inc.
Alan Armstrong, MWA Architects, Inc.

This evening's meeting, which began with a public Open House from 5:00 p.m. - 6:30 p.m., offered information, allowed for Council questions, but was not meant for public comment or action during the workshop. Public comments will be allowed at the next Waste Water Treatment Facility Special Meeting/Council Workshop on August 14, 2012. Action is also anticipated on August 14, 2012.

A detailed PowerPoint was presented and led by Brian Matson, Alan Armstrong, and Eric Johnston and is attached to these minutes as Exhibit A. The goals for this evening's meeting, steps completed following Councils direction, and the meeting's agenda opened the presentation:

1. Site Refinements: What will it look like?
   - Charrette Process and Outcome
   - Potential Facility Layouts and Renderings
2. Cost Refinements: How much will it cost?
   - Review Prior Basis of Cost Estimates
   - Updated Total and Phase One Cost Estimates
   - Estimated Rate Impacts
3. Schedule for Moving Forward
4. Questions

Windjammer Vicinity

Mr. Armstrong talked about the charrette's results, the conceptual plan view, using the building as an edge and landscaping as a buffer, pedestrian boardwalks, and use of this site as a community focal point.

Council Questions

Does the preliminary estimate represent this preliminary site plan? Yes, but it does not include the commercial buildings. It was noted that Council could choose to retain or spin off property (shown in yellow on the site map) to a private developer. The size is 65 feet by 420 feet. Discussion followed about the possibility of relocating the library (was discussed during the charrette), with a focus on preserving commercially-viable land. Mr. Matson noted that these are conceptual plans with a number of possibilities (library, city hall, commercial space). Discussion continued about existing sewer mains and their directions (they come from three directions).

Does this plan take our existing site down to turf? Yes, the existing site will be gone. The existing RBC plant and pump station would be eventually demolished and converted back to park land.

Will the archaeological aspects be spoken about in costs? Archaeological aspects are difficult to quantify since the City would not know what is there until it is found. The sites are on an equal playing field with regard to archaeological discoveries and there is a risk of encountering archaeological discovery regardless of where the waste water treatment facility is built.

Once Council makes a site decision, will there be a pre-design center? Will Council have an opportunity for design input? Once a decision is made, the next step is developing a facility plan for the Department of Ecology. The site's appearance will be the City's decision. When Department of Ecology signs off on the facility plan, another series of charrettes will be planned and input will be collected from citizens, Council, Planning Commission, Parks Board and others including the operators who will be managing the facility.

Our next milestone then is submitting the facility plan by December 2012? Yes, pre-design will occur thereafter. Discussion continued regarding the new era of archaeology for the City; a new way in approaching projects and how to manage that risk.

Can the purple pipes at either site be used for water shortages, irrigation, fire needs? Yes, reclaimed water was one of the primary focuses for this project. The key is not so much the end user, but the process to create reclaimed water. Right now, we are using domestic drinking water to irrigate Windjammer Park. Reclaimed water can be provided by either site.

Would the larger footprint of a site and transport line create more probability of discovering archaeological findings? Yes, but not all sites have the same risk. An uplands area would carry lesser risk; it is more a function of the location rather than size. It was noted that it would be difficult to show historic areas of natural lands and pre-existing shoreline.

If the City does not own the property, when will the property owners be contacted? The appropriate time to broach property owners is after Council's site choice. There are

protections for both property owners and the City and this would be better served after Council's decision.
What if Council makes a site choice and the property owner says the land is not for sale? With regard to the public as a whole, if Council determines the property should be acquired for a public need, there is a process to acquire the property even if an owner does not want to sell. The process does not take the land from the property owner; it allows for fair compensation. The City will have to assume that there will be willing sellers. Contested property acquisition is an arduous process. Discussion continued about property owner contact; a phone call, to see if property is available.
What happens with unfunded mandates; what would happen if a mandate says there will be no more Activated Sludge (AS) plants and that process was chosen instead of MBR? Discussion followed about selecting the right process now rather than retrofitting at a later time.

Crescent Harbor North

Discussion followed about the conceptual site plan, wetlands, the uplands area, and the positive charrette results for this site. Buildings would still be used as edges and screened with landscaping. This area is agrarian in nature and the building should blend in with the site. An alternate concept was also discussed.

Council Questions
Since the proposed site is in the Urban Growth Area (UGA), can the property be annexed? Would there be a pushback from the County and would that delay annexation? Annexation is controlled solely by the City Council. Acquire the property, then the City as owner would apply for annexation (both as owner and annexation entity). The County would not have a jurisdictional say. A property owner outside of the UGA could not oppose but could express an opinion. Discussion followed about the City's investment of money into this project and that the project should be within the City limits. It was noted that the City would want to annex and have the building permit issued by the City rather than County. Discussion continued about the City's request to expand its UGA which went to the County. The County turned down that request with the exception of one small area next to the base. This particular property is already within the City's UGA.

Cost Refinements

Discussion followed regarding site specific costs, the treatment plant represents the largest share of the costs, conveyance and discharge costs remain unchanged, and that changes presented this evening represent charrette feedback and technical input.
Page 7's bar graph in the PowerPoint attachment was discussed with attention to the light blue part of the graph - facilities for solids. Discussion continued regarding MBR costs, solids handling, the differential to choosing the MBR process for the Crescent Harbor North site, or retrofitting that site if AS is the chosen process.

Council Questions
Has there been a reassessment of the lagoon? That is coming up.
Is there a comparison of maintenance and operations costs for the two systems? MBR is about 10 percent more expensive with today's technology, power use, and equipment but efficiencies are improving.
The effect of pumping costs? At Crescent Harbor, that would make costs close. Taking advantage of gravity (or not) impacts costs.
Are maintenance and operations costs, M and O costs, about the same then?
Yes, if looking at labor, power, equipment replacement and chemical use - those are the four largest components.

Page 9 and 10 of the PowerPoint attachment provided a project cost comparison, summary of revised project costs, and the cost of an MBR facility by site. The summary of revised project costs, updated costs, project phasing considerations and the overall cost summary were discussed.

Council Questions
Is Activated Sludge (AS) technology old technology? AS has large tanks and using gravity, totally suspended solids. It is a less high quality process than MBR. Same aeration basins, but MBR removes the bug by a membrane and the water quality is clear. Membrane Bio-Reactor (MBR) is widely recognized as the best technology on the market to meet future regulations. However, there are many AS plants up and down Puget Sound. Many communities have elected for MBR for its benefits. MBR would be the only viable choice at the Windjammer Park site.
Is there a possibility for alternate energy sources at a plant? The buildings would be LEED-certified, but the power need is significant and most likely could not be totally met by alternate energy sources.
With the discussion of AS conversion and MBR costs, is AS still being used? AS can meet high-quality water requirements; would not suggest retrofitting AS to become an MBR process. Tertiary treatment could be added to the end of the AS process. Discussion continued about past plant visits by Council which have all been MBR plants.
Does the $93 million and $89 million include relocation of the existing pump station?
Yes, and includes reinforced structure below grade but does not include street configuration. Roundabout at Crescent Harbor could be used without reconfiguration, but that is not a requirement.
Is there another site in the vicinity of Windjammer Park, such as vacant land next to Ramaley Park? Charrette results moved away from that area to protect the ballfields.

Overview of the 2010 Rate Study

History of the rate study was presented noting that any change in assumptions changes the scenario. Sean Koorn, HDR Engineering, will also be present on August 14th to talk about new assumptions associated with the rate study.

The rate impact summary was discussed noting a decision to phase has an impact on rates. Final thoughts presented in the PowerPoint used the triple bottom line concept. What is most sustainable for Oak Harbor as defined by community benefits.

Council Questions

How does the City dispose of solids if they are not shipped to the lagoon? Drying the solids, which does not require a lot of space, would create a Class A product which can be sold as compost. Solids costs were separated from liquid stream costs.

Will the Federal and/or State government help the City considering the risk placed on the City due to flooding? The City would be better served to be in control of its own destiny and not rely on Federal funds which would take aggressive lobbying in Congress. With possible Federal reclamation of the whole lagoon area, dealing with the Navy is an unknown.

With concern about the Crescent Harbor site and conveyance, does the City own the right-of-way for pipes? We have sufficient conveyance. It is a public street and there are some complications, but they are included in the costs.

In conclusion, the schedule of Council actions and deadlines was discussed.

www.oakharborcleanwater.org offers great information, allows for comments, and this evening's PowerPoint presentation will be available on that site. The public was encouraged to call the Mayor, Council Members, and Mr. Johnston.

ADJOURN

The meeting was adjourned at 8:30 p.m.

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Connie T. Wheeler
City Clerk